

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF ILLINOIS**

In re:	)	
	)	
ALVION PROPERTIES, INC.,	)	Case Number 15-40462
	)	Chapter 11
Debtor.	)	

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**UNITED STATES TRUSTEE'S MOTION TO COMPEL DEBTOR  
TO FILE MONTHLY OPERATING REPORTS**

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NANCY J. GARGULA, United States Trustee for Region 10, by Mark D. Skaggs, her attorney, and in support of her Motion to Compel Debtor to File Monthly Operating Reports, states as follows:

1. The United States Trustee is charged with the duty of supervising the administration of Chapter 11 cases. 28 U.S.C. § 586(a)(3).

2. A Debtor-in-possession has the duty to furnish information to and cooperate with the United States Trustee. 11 U.S.C. §§ 704(a)(7) and (8), as incorporated by 11 U.S.C. § 1106(a)(1) and § 1107(a).

3. Debtor commenced this case on May 14, 2015. Since that time, Debtor has been acting as a Debtor-in-possession. Debtor has not confirmed its Chapter 11 Plan and is currently seeking to dismiss the case.

4. A Chapter 11 proceeding may be converted or dismissed for cause. 11 U.S.C. § 1112(b)(1). Failure of the Debtor to file monthly reports with the United States Trustee constitutes cause for conversion or dismissal. 11 U.S.C. § 1112(b)(4)(H).

5. The United States Trustee imposes certain operating requirements upon a Chapter 11 Debtor in carrying out its duty of supervising the administration of Chapter 11 cases. The United States Trustee requires that Chapter 11 Debtors provide the United States Trustee with certain

information, documents and payments. The above-captioned Debtor has failed to comply with the United States Trustee's operating requirements. Specific shortcomings include the failure to file the Monthly Operating Reports for October, November and December 2015 as well as for January and February 2016. The March 2016 Monthly Operating Report will be due on April 15, 2016. In addition, although Debtor has made the payment of the minimum amount of the U.S. Trustee Quarterly Fees, this minimal payment fails to take into account the various disbursements made in December 2015 as part of the sale of some of the assets of the Debtor. Taking the sale disbursements into account will increase the amount of the U.S. Trustee Quarterly Fees that are due.

6. The officers of the Debtor are now receiving monthly salaries and in fact have received previously unpaid post-petition salaries. Prior to continuing the payment of the salaries to the officers and insiders of the Debtor, these officers should be required to file the outstanding monthly operating reports and have the Debtor, through the Disbursing Agent, pay the correct amount of the U.S. Trustee Quarterly Fees.

**WHEREFORE**, the United States Trustee prays that Court order that Debtor and the Disbursing Agent cease paying the officers of the Debtor any monies until such time as all outstanding monthly operating reports are filed and the correct amount of the U.S. Trustee Quarterly Fees paid, and for such other and further relief as this Court may deem appropriate.

Dated: March 29, 2016

Respectfully submitted,

NANCY J. GARGULA,  
United States Trustee

*/s/ Mark D. Skaggs*

Mark D. Skaggs  
Attorney for U.S. Trustee

**CERTIFICATE OF SERVICE**

I certify that the foregoing was served electronically through the Clerk of the Court's CM/ECF electronic filing and service system upon all parties who have entered their appearance electronically. A paper copy was also served upon the Debtor, on March 29, 2016, by U.S. Mail, with proper prepaid postage, at the following address:

Alvion Properties, Inc.  
22 South Main Street  
Harrisburg, IL 62946

*/s/ Mark D. Skaggs*

Mark D. Skaggs

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